GUIDE TO STARTING A LASER CUTTING BUSINESS
EVERYTHING YOU NEED TO KNOW ABOUT HOW TO START A LASER CUTTING BUSINESS

Where big brand names were once a sign of superiority, consumers are now moving towards small-batch artisan products. People are tired of mass-produced uniformity, and they’re looking for products to express their individuality.

People perceive that independent producers deliver higher quality and make it easier for them to find a message they identify closely with. A laser cutting business lets you capitalize on this growing trend with minimal upfront costs.

WHAT IS LASER CUTTING?

Laser cutting machines use powerful, ultra-thin laser beams to etch, engrave or cut materials. You can create designs and patterns using focused laser beams to burn, melt or vaporize an image or letters into a wide variety of objects. It’s an automated thermal-based, noncontact fabrication process, so it’s accurate and low risk. These machines let you create intricately designed parts with or without a custom-designed tool.

The process lends itself to a variety of businesses, including engraving, fashion, arts and crafts and merchandise. We’ll explore the product options available to you in-depth later on.

WHAT MAKES LASER CUTTING AN EXCELLENT PROSPECT?

A laser cutting business is a versatile prospect due to individuals and small companies now having access to the latest technology. Laser cutters were previously only available as large-scale industrial tools to etch, engrave or cut various materials. However, the demand for small laser cutting machines that fit inside your home has increased in recent years.

WHAT MAKES LASER CUTTING AN EXCELLENT PROSPECT?

In advertising and marketing, companies have been aware for a while that an emotional bond is vital for getting buyers to part with their cash. As such, the demand for customized products and services from small- to medium-sized producers is high. This is why it’s now a better time than ever before to start your own company.

If you manage to capture consumers’ imagination, your small enterprise will grow and grow.

LOW COST

As a start-up, the initial costs of setting up your laser cutting business are low compared to many other enterprises. The market isn’t saturated, so there’s plenty of demand and you should easily win customers once you’ve carved a niche for yourself.

As with any industry, success is down to hard work and careful planning — but it’s much easier when you choose a smart, relevant industry. A laser cutting business also competes with the 3D printing industry, but it’s easier, more affordable and just as accurate.

NO PREVIOUS EXPERIENCE REQUIRED

If you’re a creative type, you might produce your own products and designs from scratch. That said, you don’t need an artistic bone in your body to start a laser cutting business. You can rely entirely on software and premade designs to create trendy objects. For the lowest start-up costs, you could focus solely on engraving existing objects for business or personal use.

ADAPTABLE

The bonus of running a laser engraving, cutting and etching business is how easy it is to adapt to changing trends and an ever-evolving marketplace.
LASER CUTTING

Laser cutting is the umbrella term to describe all the actions a laser cutting machine performs. However, it also refers to using a laser to specifically cut a design, shape or pattern from a material. In the next section, we’ll explore the laser cutting material design guidelines so you know exactly what you can and can’t cut.

LASER ENGRAVING

Laser engraving requires pinpoint accuracy because you’re leaving a mark in the product without cutting all the way through. In terms of consistency and ease of use, laser cutting machines are second to none. It’s a quick process as the laser swiftly vaporizes the substrate and makes a noticeable cavity. To make deeper marks in the material, you’ll need to repeat the process.

Once your design is programmed into the laser cutting machine, you can quickly and easily replicate it as many times as necessary.

LASER ETCHING

Etching creates a crevice without cutting through your material, but it’s even shallower than engraving. It’s an incredibly precise process that’s ideal for jewelry and other delicate materials. High speed of realization means lead times are minimal and you can produce hundreds of products each day.

EXCELLENT MATERIALS FOR LASER CUTTING

- **Acrylic:** It’s one of the best materials to use if you run a laser cutting business. Laser cutting leaves a flawless finish with polished edges. Some plastics that you might expect would react the same as acrylic, such as Lexan, are dangerous. That’s why you must never rely on guesswork to know which materials work with a laser cutting machine — it isn’t always obvious.

- **Magnetic sheet:** Magnetic sheet is up there with acrylic as one of the best materials laser cutting businesses can utilize. It’s affordable and it cuts beautifully, in addition to having a range of popular applications.

- **Hardwoods:** Cherry, peach, and other hardwoods can be cut very well with a laser machine. A 130w laser can cut up to ¾” on some softer woods.

- **Paper:** Card stock and paper cut speedily with a nice clean finish. Greeting cards or gift wrap made from recycled paper are great ideas for a laser cutting business.

LASER CUTTING AND SUSTAINABILITY

If starting your own laser cutting company doesn’t sound enticing enough already, it has a high potential to tap into the fastest-growing consumer trend: sustainability. When you communicate your commitment to cutting waste and taking care of the environment using content marketing, you’ll automatically align with many modern consumers’ ethics.

People who run their business from home have an excellent starting point for explaining how they protect the environment. Your carbon footprint is already much lower than anyone running a business from an office. Capture data that reflects your low impact on the environment and use it in your marketing strategy. You can even etch reusable metal coffee cups, custom reusable drinking straws or any other eco-friendly product currently in high demand.

As a small business owner, you have a unique ability to communicate your brand values to buyers. When customers feel morally aligned with a company, they’re much more likely to make an initial purchase and keep buying.

MATERIAL DESIGN GUIDELINES

One of the most critical areas you’ll need to gain expertise in as a professional laser cutter is the material design guidelines. Using certain metals or plastics could be dangerous in combination with laser technology. Provided you follow the directions, however, it’s perfectly safe.
Leather: Lasers love leather. What typically takes hours to cut by hand can be done in just minutes with a laser. Just be warned; it can get stinky! If you’re thinking about starting up a premium laser cutting business, leather is a great choice. We’ll discuss the best industries to get into in more detail later on.

Cardboard: It does cut, but it’s also a fire hazard, so never leave the laser cutting machine unsupervised while it cuts cardboard.

Many types of wood: Most types of wood work well with laser cutting machines. However, you should avoid resinous or oily wood because it has the potential to combust.

Cloth, hemp, cotton and felt: Most types of fabric work beautifully with laser cutting machines. Fashion is one of the best markets to enter if you’re wondering which laser cutting business to start. You can capitalize on the burgeoning trend for customized clothing and small-batch artisan products. Be careful never to use impregnated cloth or plastic-coated fabric.

Depron foam: Although it’s essential that you continuously monitor depron foam, it cuts smoothly and safely. It’s an excellent choice for laser cutters because you can make toys, model aircraft and 3D architectural models.

Non-chlorine rubber: Provided you ensure the rubber you use doesn’t contain chlorine, it should cut nicely. Rubber is a durable and useful material for objects such as door stops and handmade kitchen equipment.

Ceramic tiles: Laser cutting machines etch ceramic tiles beautifully. This opens up a variety of opportunities for laser cutting businesses to create unique kitchen, bathroom and outdoor ceramic designs.

Glass: Glass doesn’t cut all the way through, but engravings in glass have a polished, almost sandblasted appearance. Different colors work better – for example, the finish of green glass looks better than that of red glass. Glass engraving is very popular: think pint glasses, wine glasses, and other decorative bottles.

Marble, onyx, stone, granite and soapstone: With these materials, we’d advise that you go very slowly indeed. Although they can be engraved, the finish will appear a little white and somewhat textured. Customizing precious stone is an excellent high-end laser cutting business idea if you have the bankroll for the upfront costs.

Anodized / Coated aluminum (or metals): You can remove the anodization from anodized metals to create an awesome effect that is very marketable.

Composite wood: Plywood and other composite woods often contain glue, so be sure to select a plywood that is either for indoor use or intended for laser cutting. The regular outdoor type can be difficult to cut with a laser.

Engineered wood: Engineered wood such as MDF comes in varying densities but is very workable. You might try a few different suppliers if you run across one that is hard to cut.

Mylar: Mylar is a great choice to use for a laser cutting business, especially as part of the booming cannabis and wellness industries. However, the machine only works well with thin mylar.

Teflon: This is a peculiar material to work with. Although you can use a laser cutting machine to cut thin sheets, you must carefully read Teflon data sheets to stay safe. Provided the machine is modern, it should be thoroughly exhausted and vented.

Cork: Engineered cork usually contains a lot of glue, so it won’t cut well. However, the thinner and better quality the cork, the better it should cut.

Polycarbonate sheeting: Although you can cut very thin polycarbonate sheeting, it tends to get discolored by the laser cutting machine. Even an incredibly slender sheet might get yellowed edges, so it’s not the best choice.

Coroplast: Coroplast is a struggle to cut all the way through. The vertical strips on the surface make it even more challenging.

Additional materials you can use for laser etching

If you’ve decided to try laser etching as well as – or instead of – laser cutting, there’s good news. Laser cutting machines can etch an even more comprehensive range of materials than just cutting. Etching is a cost-effective start-up business idea because it involves minimal upfront spending. If you opt to etch people’s trophies or jewelry, you won’t even need to purchase materials yourself.

You can etch these substrates, in addition to the ones mentioned above:

- Ceramic tiles: Laser cutting machines etch ceramic tiles beautifully. This opens up a variety of opportunities for laser cutting businesses to create unique kitchen, bathroom and outdoor ceramic designs.
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- Anodized / Coated aluminum (or metals): You can remove the anodization from anodized metals to create an awesome effect that is very marketable.

Materials you can’t use for laser cutting

Some substrates absolutely cannot be used in conjunction with a laser cutting machine. This is for your safety, so it’s vital that you carefully check whether you can use certain materials when you’re just starting up a laser cutting business. These are the materials you must never use:

- Thick polycarbonate
- Fiberglass
- PVC
- HDPE
- Coated carbon fiber
- Epoxy

These materials can work with laser cutting machines, but need special consideration

- Composite wood: Plywood and other composite woods often contain glue, so be sure to select a plywood that is either for indoor use or intended for laser cutting. The regular outdoor type can be difficult to cut with a laser.
- Engineered wood: Engineered wood such as MDF comes in varying densities but is very workable. You might try a few different suppliers if you run across one that is hard to cut.
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- Teflon: This is a peculiar material to work with. Although you can use a laser cutting machine to cut thin sheets, you must carefully read Teflon data sheets to stay safe. Provided the machine is modern, it should be thoroughly exhausted and vented.
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- Polycarbonate sheeting: Although you can cut very thin polycarbonate sheeting, it tends to get discolored by the laser cutting machine. Even an incredibly slender sheet might get yellowed edges, so it’s not the best choice.
- Coroplast: Coroplast is a struggle to cut all the way through. The vertical strips on the surface make it even more challenging.
WHICH PRODUCTS CAN I CREATE USING A LASER CUTTER?

If you previously thought the only people who could start a laser cutting business were creative, you might be searching for business ideas. But you don’t need to be artistic to find designs your customer base will like and program them into the laser cutting machine. Whether you go for engraving or cutting, there are plenty of options available to you.

Continue reading to find out the hottest trends in the laser cutting industry.

MEMORABILIA AND MERCHANDISE

YouTube, Instagram, TikTok, Twitter and all the various social media platforms mean that there are more celebrities to choose from. TV remains hugely popular, radio is bigger than ever and athletes, chefs and entrepreneurs are famous people.

Branding has filtered its way down from big businesses to individuals, which means there’s a higher demand for merchandise and memorabilia than ever before.

You could keep it simple and create custom hats, bags and clothes for the public. Alternatively, work as a B2B company with YouTubers and other celebrities to design and make their merch for them.

REUSABLE DRINK RECEPTACLES

As concern over the future of the planet grows, the public is becoming more aware of waste, consumption and sustainability. This isn’t a threat to industry, but it means that demand has shifted. People are prioritizing new, sustainable products such as reusable cups. Personalized water bottles, reusable coffee cups with cute designs and engraved metal straws are all the rage.

If your laser cutting business offers these types of products, you have a ready-made brand message. Structure your advertising and marketing around your eco-friendly output and you’ll attract a particular sector of the market. Most people who are environmentally aware have disposable income and actively search for brands with ethical messages.

CERAMICS

Ceramic tiles, often painted beforehand, turn out beautifully in a laser cutter. As they’re items most people have in their homes, they’re a pretty good business prospect. You can use them in a variety of functions, and the range of options you have for design patterns is nearly endless.

You don’t need to be able to draw because there are downloadable designs you can use. Alternatively, you can work in collaboration with artists to get exposure to their customer base and provide them access to yours.

SUSTAINABLE GREETING CARDS

Another way for a laser cutting business to tap into the environmentally aware market is to create greeting cards, gift wrap or postcards. Instead of using mass-produced, wasteful materials, use recycled paper or work directly with tree growers. For example, hemp is a sustainable paper that you can use to make a variety of items, including paper, rope and cloth.

Creating products that are kind to the planet sets you up as a business of the future and attracts modern consumers.

As a small business, you can already boast that your carbon footprint is much lower than big companies. With hard work, smart marketing and strong branding, it’s easy to carve a niche for yourself and excel within it.

INDIE FASHION

Small-batch production is incredibly fashionable. When it comes to clothes, it’s still not easy to find affordable quality in traditional stores. There’s a gap in the market for people who can design or source well-made clothes and sell them at affordable prices. A laser cutting business can do amazing things in the world of fashion.

If you have no previous experience of textiles, consider working with a designer. They can come up with ideas and put the fabric together while you make the designs a reality.
CUSTOMIZED LEATHER

An excellent premium laser cutting business is creating customized leather products for people or organizations. From engraved wallets to elegant belts, leather is a product you can charge good money for. It’s not easy to use a laser cutting machine to engrave or cut leather, but it is possible.

Lots of items you can make, such as merchandise, leather items, and clothing, fall under the umbrella of fashion. Wedding gifts, Bridesmaid gifts, and Groomsman gifts are also a huge opportunity. Depending on your skill set, you can specialize in one field or be more of a generalist.

Bear in mind that it’s generally easier to market to a niche. At the same time, however, a mass appeal could be more of a moneymaker if you have plenty of capital to invest upfront in your laser cutting business.

GLASS ETCHINGS

If you’ve ever been in a restaurant and noticed the cute logo engraved onto the glassware, you’ve seen glass etchings. Your laser cutting business could specialize in providing this service for fine-dining eateries. As a business model, it’s smart because you’re working exclusively with high-end clients and can charge high-end prices.

You don’t have to work with restaurants of glassmakers; you could offer personalized gifts such as engraved anniversary glasses or ornaments. Custom engraved glasses also make great wedding gifts! The public loves websites like Etsy and Wayfair, where there are plenty of decorative items and gifts produced by small, independent companies.

ARTISAN WOODWORK

Much like the appeal of handmade glass etchings, artisan woodwork taps into consumers’ desire for adorable handmade gifts. You can cut and engrave wood to create toys, puzzles, games, and much more. If you’re someone who takes great pride in designing and making things, wood is an excellent choice for a laser cutting business.

You need to check the material design guidelines before you begin working with different types of wood. Composite wood contains glue, and wood with a lot of oil tends not to work as well. You’ll quickly get a feel for the material you’re most comfortable with.

ENGRAVED ACRYLICS

Create signage solutions for businesses all over the world with an acrylic laser cutting business. This option has low start-up costs and is relatively simple because there’s no design involved. The companies already have a logo, so you program it into the laser cutting machine and that’s it. The profit margins are high, and it has the potential to grow and become a global success.

TOMBSTONES

Tombstones are an essential part of the grieving process, and they help families come to terms with the passing of loved ones. They come in a variety of materials, and you can make them as elaborate or as minimal as the customer demands. While you need to be careful using a laser cutter on stone, it can produce beautiful results.
HOW TO START A LASER CUTTING BUSINESS IN 10 STEPS

Now your head is buzzing with tons of ideas about the sort of business you’re going to start. Enthusiasm and passion will get you very far as an entrepreneur, but there are two more non-negotiables: hard work and structured planning. All excellent leaders make plans. Very few actually stick to them, but that initial framework is how you’ll propel your ideas forward.

MAKE A BUSINESS PLAN

A trait that all entrepreneurs share is the ability to consider contingencies continuously. A business plan is crucial because it forces you to look at the future from a variety of perspectives. When you have worst-case scenarios, best-case scenarios and everything in between mapped out, you’re prepared for every eventuality.

Plus, if you need to ask a bank or investor for funding, your business plan shows them that their money is safe in your hands.

Some factors to address in your laser cutting business plan include:

- Choose a name, logo and target market.
- Plan different ways of increasing profits.
- Explore the possibilities for a global laser cutting business.
- Set pricing and margins based on extensive research.
- Analyze all laser cutting business costs and find ways of slashing them.

Once you’ve decided on your niche, it’s time to get serious about setting up your company. Here’s our guide on how to start a laser cutting business in 10 simple steps.

STEP 1

Choose a name, logo and target market.
Plan different ways of increasing profits.
Explore the possibilities for a global laser cutting business.
Set pricing and margins based on extensive research.
Analyze all laser cutting business costs and find ways of slashing them.

STEP 2

SET UP A LEGALLY TRADING BUSINESS ENTITY

To get business financing and ensure that libel cases are aimed at an entity rather than you as an individual, you’ll need to set up a business. In most states, this involves going to the County Courthouse and applying for a D/B/A certificate (Doing Business As).

STEP 3

APPLY FOR AN EIN AND SET UP BUSINESS BANKING

Next, you’ll need to apply for a free employer identification number. This allows you to register for federal and state taxes, which you’re obliged to do by law. Get a business bank account and open up a credit card in your laser cutting businesses’ name. By this time, you’re going to start feeling like a laser cutter. You must keep your finances in order, so employ an accountant.

Invest wisely in the best laser cutting machines and conduct extensive market research during these early stages.

STEP 4

PREPARE YOUR HOME FOR A LASER CUTTING BUSINESS

Set up a workshop, conduct several risk assessments and put processes in place to avoid mishaps. At this stage, it’s a great idea to speak to other small laser cutting business owners. They can advise you on the pitfalls they faced when they started up and offer the most relevant advice. Establish as many contacts in your industry as possible — they always come in handy.
GET INSURED AND OBTAIN PERMITS AND LICENSING

If you don’t set up your laser cutting business correctly, you could be liable for fines or even closure. Think about the following:

- A certificate of occupancy if you have a workshop
- State licenses and permits
- How to pay sales tax

PRACTICE MAKES PERFECT

At the same time you’re preparing all the paperwork and making the necessary start-up transactions, you also need to hone your craft. The life of an entrepreneur is all work and little rest, so be prepared to put your heart and soul into getting your laser cutting business off the ground.

The harder you work in the beginning to run a smooth ship, the easier it’ll be further down the line. Expect a few years of super-hard work as you master your craft and build a client base. Use any spare time to practice, practice and practice some more. Once you have employees, they’ll learn from your example.

DEVELOP YOUR LASER CUTTING BUSINESS BRAND

The strength of your brand determines the success of your laser cutting business — not to mention your ability to communicate it to consumers. A well-defined brand is crucial in today’s fiercely competitive market. What you need is a simple message that resonates with enough people to form a customer base.

KNOW YOUR TARGET AUDIENCE

To create a strong brand identity, you need to understand who you want to buy products from your laser cutting business. Most modern brands have such a clear vision of who their core customer is that they’re like a real person. If you understand your customer’s needs, desires and emotions, you’ll be adept at targeting your brand to them.

ALIGN YOUR OFFERING WITH YOUR TARGET MARKET

Don’t make the mistake of deciding on your laser cutting businesses’ product and marketing strategy before you’ve got a clear vision of your target market. It’s crucial that every aspect of your digital and physical offering is consistent and aligned with your branding. For example, if you claim to be sustainable but use a lot of plastic packaging, your ethically driven target market won’t be impressed.

Pay attention to every minute detail, and ensure your customer experience matches up to expectations.

DEVELOP YOUR LASER CUTTING BUSINESS BRAND

Once you know your audience better than you know your own family, create a multifaceted marketing strategy to attract them. The digital sphere has presented marketers with an array of amazing platforms. Look into how each one can benefit you, and focus on the ones that your target audience use the most.

You might want to look into billboards, TV advertising and merchandise as ways of showing off your laser cutting business to the world. However, in the current climate, marketing online is your best shot at reaching a global audience.
ESTABLISH A PRESENCE ONLINE

You will be judged by your online presence. No matter how unique or well-made your products are, if your website, social media accounts and digital output aren’t up to scratch, customers will bounce.

- **Website:** Your laser cutting business website should be clean, slick and in keeping with the current trends. It must load quickly so buyers can navigate through the website and efficiently process payments. Video landing pages are incredibly popular as customers trust video more than verbal promises. Sites like https://99designs.com/ and https://www.fiverr.com/make for great resources when you’re starting out.

- **Social media:** Consumers love using social media for customer service. Twitter, Instagram and Facebook are excellent places to interact with customers, solve problems and provide answers. You can also share content with them relating to your laser cutting business that they’ll love. Social media is an excellent place to run competitions and post updates about the team. This creates excitement around your brand and encourages engagement. Research how to run paid ads on these platforms and you will be driving potential customers to your website in no time!

- **Content marketing:** Create e-books, white papers and blog posts to let your customer know who your brand is. Make useful content that people can incorporate into their daily lives. By doing this, you make yourself an essential part of their day — even when they’re not actively purchasing from you. The awesome bonus of this type of marketing is SEO. When you create a lot of content related to your niche, you’ll rank higher on search engine pages.

NETWORK, NETWORK, NETWORK!

The final step is perhaps the most important to your long-term success. In general, entrepreneurs with more contacts tend to do better in business. You don’t need to know anyone before you get started. Use resources such as LinkedIn and directories to find people in your industry and related industries.

Ask relevant sources for advice. Find creative ways of helping one another that mean increased revenue for both of you. For example, get in touch with high-ranking YouTubers if you plan to make merchandise for people.

Some of the most valuable types of relationships are:

**INFLUENCERS**

Get in touch with people who have a strong following on social media to promote your products. You might have to pay them, but it’s a great way to get exposure and reach an entirely new audience.

**AFFILIATES**

An affiliate is a type of partner. They might mention your brand to their followers in return for you doing the same for them. Bloggers, artists and agencies make the ideal affiliates for laser cutting business owners.

**PARTNERS**

A partnership is more formal than an affiliation. These are people you rely on and work with regularly. Lawyers, accountants and suppliers are examples of partners. You build these relationships over time, and once you’ve established trust, you might help to promote each other.

TOP TIPS FOR STARTING A NEW LASER CUTTING BUSINESSES

- Consistency is king.
- Spacing between letters is crucial.
- Use ready-made 2D models or design them yourself.
- Understand Scalable Vector Graphics and AutoCAD DXF.
- Choose the right laser

START MAKING PLANS FOR YOUR LASER CUTTING BUSINESS TODAY

Nova laser cutting machines from Thunder Laser USA deliver the best laser cutting and engraving performance in an easy-to-use design. Call us today at 903-522-4070, or contact us online and one of our laser cutting experts can answer all your questions.
Address
321 Richards St.
Quitman, TX 75783

Phone
(903) 522-4070

Email
sales@thunderlaserusa.com